

Message Text

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70

ORIGIN ARA-10

INFO OCT-01 ISO-00 EB-04 AID-05 L-01 OPIC-03 CEQ-01

CIAE-00 COA-01 COME-00 DODE-00 EPA-01 INR-05 IO-04

NSF-01 NSC-05 NSAE-00 PM-03 RSC-01 OES-02 SS-15 SP-02

FEA-01 PA-01 PRS-01 USIA-06 INRE-00 NSCE-00 SSO-00

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DRAFTED BY ARA-EP/E:WCLARKE:ET

APPROVED BY ARA-EP:SPRINGLE

EB/IFD/OIA:WBRODERICK(INFO)

EB/ORF/FSE:MCREEKMORE(INFO)

OPECT:MKING(SUBS)

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O P 292301Z OCT 74

FM SECSTATE WASHDC

TO AMEMBASSY QUITO IMMEDIATE

INFO AMCONSUL GUAYAQUIL PRIORITY

C O N F I D E N T I A L STATE 237535

E.O. 11652: GDS

TAGS:PGOV, EIN, EC

SUBJECT: ADA CASE

REF: QUITO 6988; 6330

STATE 224904

1. IN CALL TO ADA OFFICES IN HOUSTON ON 23 OCTOBER, DESK WAS TOLD BY ADA LAWYER, LYON BRINSMADE, THAT EQUITY FUNDING LETTER OF WITHDRAWAL STILL UNAVAILABLE. BRINSMADE SAID THAT EARLIER AGREEMENT CONCLUDED WITH EQUITY FUNDING RECEIVERS FOR TRANSFER OF 23.5 PERCENT TRASCERCO INTEREST IN GULF OF GUAYAQUIL CONSORTIUM TO ADA WAS NEVER CONCLUDED AND THAT NEW EQUITY FUNDING RECEIVERS HAVE THROWN THIS EARLIER AGREEMENT INTO QUESTION. MATTER WILL EVENTUALLY BE DECIDED BY
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COURTS IN CALIFORNIA, AND REMAINING MEMBERS OF

CONSORTIUM HAVE DECIDED TO EXPLAIN TO GOE THAT ANY MONIES DUE EQUITY FUNDING WILL BE PLACED IN ESCROW ACCOUNT PENDING COURT DECISION.

2. IN MEETING OF CONSORTIUM PARTNERS HELD IN HOUSTON 24 OCTOBER IT WAS DECIDED THAT LETTER DISCUSSED IN QUITO 6330 WILL BE DELIVERED WITH SOME MODIFICATIONS, INCLUDING ALL THOSE SUGGESTED BY EMBASSY, TO GOE WITHIN NEXT 10 DAYS. BRINSMADE SAID THAT CONSORTIUM OWNERS FEEL IT IMPERATIVE THAT NEW MINISTER OF NATURAL RESOURCES BE PROVIDED ACCUR TE HISTORY OF DEVELOPMENTS

IN CASE UP TO PRESENT TIME. BRINSMADE PROMISED TO SEND COPY OF REVISED LETTER TO DESK WHEN FINAL VERSION IS APPROVED, EXPECTED FOR OCTOBER 29. DEPT WILL SEND TEXT TO EMBASSY WHEN AVAILABLE.

3. IN SOMEWHAT CURIOUS REFLECTION ON REPORTORIAL ABILITY WASHINGTON EMBASSY CHARGE GABELA, IT APPEARS THAT ADA OFFICIALS IN QUITO HAVE OBTAINED COPY OF OCTOBER 11 MEMO FROM GABELA TO GOE WHICH TRANSLATES AS FOLLOWS: QUOTE I HAVE BEEN CALLED BY THE STATE DEPT ... THE U.S. GOVERNMENT OFFICIALLY EXPRESSED TO ME THAT IT WOULD LOOK WITH FAVOR IF THE EXPLOITATION OF GAS (SIC) WOULD BE GIVEN TO THE ADA CONSORTIUM WHICH PARTICIPATED INITIALLY AND INVESTED MILLIONS OF ;OLLARS IN THIS PROJECT .. UNQUOTE. IT APPEARS THAT GABELA MISREAD DEPARTMENT'S MESSAGE CONVEYED IN OCT 11 MEETING (STATE 224904) WHICH CERTAINLY DID NOT INCLUDE ANY REQUEST THAT ADA BE REAWARDED THEIR CONCESSIONS.

4. IT APPEARS THAT GULF OF GUAYAQUIL CONSORTIUM IS IN CONSIDERABLE DISARRAY AS IT BEGINS ITS SERIOUS NEGOTIATIONS WITH GOE. ONE OF ITS ACTIVE PARTNERS, OKC, DID NOT PARTICIPATE IN HOUSTON MEETING LAS, WEEK. POSITION OF EQUITY FUNDING (TRASCERCO) IS CERTAINLY NOT CLEAR. ALTHOUGH GOE'S RESPONSIBILITY TO COMPENSATE CONSORTIUM IS IN NO WAY DIMINISHED, IT APPEARS THAT ADA IS NOT EMPOWERED AT THIS TIME
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TO ACT FOR EQUITY FUNDING'S 23.75 PERCENT OF CONSORTIUM. INGERSOLL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, COMPENSATION
Control Number: n/a
Copy: SINGLE
Draft Date: 29 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE237535
Document Source: CORE
Document Unique ID: 00
Drafter: EP/E:WCLARKE:ET
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740309-0014
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974109/aaaaahem.tel
Line Count: 108
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
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Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: QUITO 6988; 6330
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 01 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 MAY 2002 by boyleja>; APPROVED <10 MAR 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ADA CASE
TAGS: PGOV, EINV, EC, ADA
To: QUITO
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005